

IID ON-FARM WORKSHOP

NOVEMBER 19, 2001

THANKS FOR BEING HERE!

DISCLAIMER

**THE ON-FARM PLAN IS STILL UNDER
CONSIDERATION**

**ALL CONCEPTS AND NUMBERS
RELATED TO THE ON-FARM
CONSERVATION PLAN ARE
SUBJECT TO DISCUSSION AND
REVISION**

CALIFORNIA PLAN

**REDUCE CALIFORNIA'S USE OF
COLORADO RIVER WATER TO 4.4
MAF IN A NORMAL YEAR**

CALIFORNIA PLAN

**MWD CONJUNCTIVE USE PROJECTS
MWD EASTSIDE RESERVOIR
PVID/MWD AGREEMENT
CVWD GROUNDWATER PLAN
QUANTIFICATION SETTLEMENT
AGREEMENT (QSA)**

QUANTIFICATION SETTLEMENT AGREEMENT (QSA)

IID/SDCWA 130-200 KAF/YR

**MINIMUM 130 KAF/YR ON-FARM
- NO FALLOWING**

**IID/CVWD/MWD 100 KAF/YR
- NO RESTRICTIONS**

QUANTIFICATION SETTLEMENT AGREEMENT (QSA)

IID/SDCWA 130-200 KAF/YR

**START: 2002
RAMP-UP: 20,000 AF/YR
PRICE: 2002 \$249/AF
2007 \$305/AF
2010 \$348/AF**

1998\$\$

QSA

IID/CVWD/MWD 100 KAF/YR

START: 2007

RAMP-UP: 5,000 AF/YR

PRICE:

FIRST 50 KAF/YR \$ 53.50/AF

2ND 50 KAF/YR \$128.50/AF

1998\$\$

QSA

2005-2007 EARLY WATER:

5 - 10 - 5 KAF TO SDCWA/MWD (\$125)

AAC LINING: MWD - 56.2 KAF/YR

SLR - 11.5 KAF/YR

QSA

CA. MISC. PPRs 11.5 KAF/YR

**IID QUANTIFIED AT 3.1 MAF/YR LESS
TRANSFERS**

**INADVERTENT OVERRUN PROGRAM
(IOP)**

SEQUENCING OF CONSERVATION

ON-FARM PROGRAM STARTS 2003

BUT

SEQUENCING OF CONSERVATION

**FIRST EIGHT YEARS - INSTALL
SYSTEM PROJECTS ALONG SIDE
ON-FARM CONSERVATION**

- LATERAL INTERCEPTORS**
- SYSTEM AUTOMATION**
- EAST MESA/WSM RESERVOIR**
- SEEPAGE RECOVERY**

SEQUENCING OF CONSERVATION

**FIRST EIGHT YEARS - INSTALL SYSTEM
PROJECTS ALONG SIDE ON-FARM
CONSERVATION**

- I CAPTURE ON-FARM CONSERVATION**
- I PAY OFF SYSTEM IMPROVEMENTS**
- I PROVIDE WATER TO CVWD @ O&M
RATE IN 2007**

SEQUENCING OF CONSERVATION

SYSTEM CONSERVATION:
\$45 - \$160/AF

ON-FARM (PRO-FORMA):
\$180 - \$245/AF

1998\$\$

SEQUENCING OF CONSERVATION

**FIRST EIGHT YEARS - INSTALL SYSTEM
PROJECTS ALONG SIDE ON-FARM
CONSERVATION**

**2002-2006 - SYSTEM AND ON-FARM WATER
GOES TO SDCWA**

**2007 - SYSTEM WATER BEGINS MOVING TO
CVWD/MWD, REPLACED BY ADDITIONAL
ON-FARM WATER TO SDCWA**

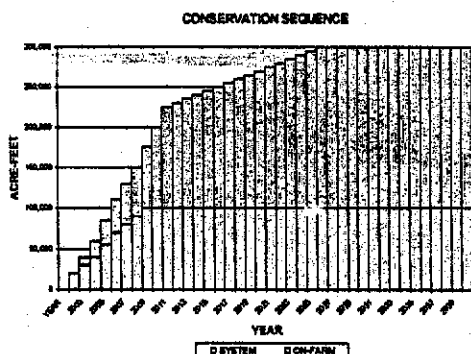
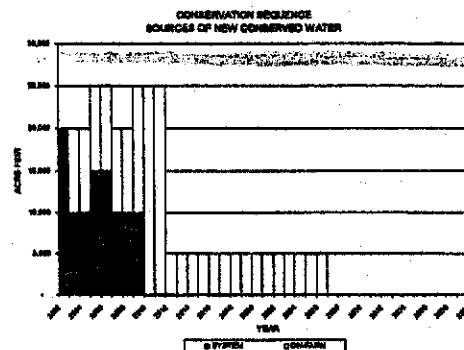
SEQUENCING OF CONSERVATION

SOURCES OF NEW CONSERVED WATER:

2002 SYSTEM

2003 - 2009 SYSTEM/ON-FARM

2010 - 2026 ON-FARM



SEQUENCING OF CONSERVATION

REGARDLESS OF:

**OTHER QSA COMPONENTS
SEQUENCE OF CONSERVATION
TIMING OF CONSERVATION**

**FOR ON-FARM CONSERVATION, IID
RECEIVES THE SDCWA PRICE**

ON-FARM PLAN PRINCIPLES

**VOLUNTARY
INCENTIVE
FAIR
SIMPLE
FLEXIBLE
NO FALLOWING
IMPROVED SERVICE
VERIFIABLE
OWNERSHIP BASED**

PARTICIPATION

**VOLUNTARY LANDOWNER
PARTICIPATION**

**IID NOT INVOLVED IN
LANDOWNER/TENANT AGREEMENTS**

ELIGIBLE LANDS

**ALL LANDS WITH HISTORY OF
WATER USE DURING 1987-1995**

ALLOWABLE CONSERVATION MEASURES

LANDOWNER SELECTS MEASURES

- SOIL**
- CROPS**
- FARMING PRACTICES**

NO FALLOWING

VERIFICATION

**REDUCE MEASURED DELIVERIES
BELOW BASELINE BY
CONSERVATION OBLIGATION**

BASELINE

**7-YEAR MODIFIED AVERAGE WATER
USE:**

**1987-1995, HIGHEST AND LOWEST
YEARS EXCLUDED**

BASELINE

**"FARM UNIT" BASED - BASELINE
FOR EACH TURNOUT COMBINED
INTO A TOTAL BASELINE FOR
ENTIRE FARM UNIT**

VERIFICATION (NO FREE RIDE)

**IID RULES AND REGULATIONS
INCLUDING:**

- REGULATION 39: 15% TAILWATER
- 15 PT. CONSERVATION PROGRAM
- REASONABLE/BENEFICAL USE

**WILL BE ENFORCED FOR ALL FIELDS IN
FARM UNIT (CONSERVING OR NOT)**

CONTRACT TERMS

- BETWEEN IID/LANDOWNERS
- FARM UNIT BASED
- 45 YEAR TERM
- PARCEL RE-ASSIGNMENT NOT
ALLOWED UNDER FARM UNIT
CONCEPT
- LANDOWNER CONTRACT MAY BE
RE-ASSIGNED

CONTRACT TERMS

PAYMENT LIMITATION:

**LIMITED TO A MAXIMUM OF 1.0
ACRE-FOOT PER ACRE PER YEAR**

CONTRACT TERMS

PAYMENT LIMITATION: OPTIONS

**NO LIMIT ON PAYMENTS
DECLINING BLOCK PRICING
ANOTHER NUMBER
OTHER?**

CONTRACT TERMS

**OVERUSE (ABOVE BASELINE LESS
CONSERVATION OBLIGATION) PAID
BACK FOLLOWING YEAR:**

**LANDOWNER RECEIVES FULL
PAYMENT IN OVERUSE YEAR**

CONTRACT TERMS - OVERUSE

**LANDOWNER REPAYS OVERUSE IN
FOLLOWING YEAR(S) PER IID'S
DEMAND**

**PAYBACK DELIVERY LIMIT =
BASELINE-CONSERVATION
OBLIGATION-OVERUSE AMOUNT**

CONTRACT TERMS - OVERUSE

**PAYBACK DELIVERY LIMIT STRICTLY
ENFORCED**

**PAYBACK YEAR - LANDOWNER
RECEIVES PAYMENT FOR
CONSERVATION OBLIGATION ONLY**

**ECONOMIC DISINCENTIVE UNDER
CONSIDERATION**

DISPOSITION OF REVENUES

**IID RECEIVES AND DISTRIBUTES
ALL PAYMENTS:**

**IID
LANDOWNERS
COMMUNITY**

DISPOSITION OF REVENUES - IID

**IID RECEIVES 10% OF ON-FARM
PROGRAM REVENUES:**

**-ADMINISTRATION
-ENVIRONMENTAL MITIGATION
-LOST WATER/POWER SALES
-COST RECOVERY (LEGAL,
EIR/EIS)**

DISPOSITION OF REVENUES: LANDOWNERS

**LANDOWNERS RECEIVE 85% ON ON-
FARM REVENUES:**

**-CAPITAL COSTS
-ANNUAL OPERATION &
MAINTENANCE
-INCENTIVE**

DISPOSITION OF REVENUES: LANDOWNERS

**PRO FORMA (TRS):
CAPITAL COSTS: \$110 - \$150/AF**

**ANNUAL OPERATION &
MAINTENANCE: \$70 - \$95/AF**

INCENTIVE: (.85 X 249 - 180) = \$31.65

**DISPOSITION OF REVENUES:
LANDOWNERS**

EXAMPLES - INCENTIVE:

$$.85 \times 249 - 180 = \$31.65/\text{AF}$$

$$.85 \times 249 - 245 = (33.35)$$

**DISPOSITION OF REVENUES:
LANDOWNERS**

OPTIONS:

ENTRY POINT?

LEVELIZED PAYMENT?

FINANCING?

**DISPOSITION OF REVENUES:
COMMUNITY**

**COMMUNITY RECEIVES 5% OF ON-
FARM PROGRAM REVENUES**

- COMMUNITY BETTERMENT?**
- ECONOMIC DEVELOPMENT?**

**DISPOSITION OF REVENUES:
COMMUNITY**

POTENTIAL COMMUNITY FUNDS:

- ON-FARM PROGRAM**
- SYSTEM**

DISTRICT ISSUES

OVER/UNDER SUBSCRIPTION

3.1 MAF OVERRUN ACCOUNTING

INTRA-DISTRICT WATER MARKET

OVER/UNDER SUBSCRIPTION

OVER - LOTTERY SYSTEM

**UNDER - IID/SDCWA AGREEMENT
TERMINATES OR?**

3.1 MAF OVERRUN ACCOUNTING

**INADVERTENT OVERRUN PROGRAM
IS COMPLICATED BUT**

**UNDER MOST CONDITIONS, IID WILL
HAVE 3 YEARS TO PAYBACK USE ABOVE
3.1 MAF (INCLUSIVE OF TRANSFERS)**

**MAXIMUM CUMULATIVE OVERRUN
LIMITED TO 310 KAF**

3.1 MAF OVERRUN ACCOUNTING

**REPAYMENT OF USE ABOVE 3.1 MAF
IS THE RESPONSIBILITY OF:**

**ON-FARM PARTICIPANTS IN OVER USE
STATUS**

**THOSE NOT PARTICIPATING IN THE
ON-FARM PROGRAM**

3.1 MAF OVERRUN ACCOUNTING

**FOR PARTICIPANTS, PAYBACK AS
DISCUSSED**

**REMAINING IOP PAYBACK PRORATED
AMONG NON-PARTICIPANTS (PAYBACK
OBLIGATION)**

3.1 MAF OVERRUN ACCOUNTING

FOR NON-PARTICIPANTS:

**DELIVERY LIMIT = BASELINE-
PAYBACK OBLIGATION**

**BASELINE CALCULATED SAME AS
FOR PROGRAM PARTICIPANTS
(MODIFIED HISTORICAL AVERAGE)**

INTRA-DISTRICT WATER MARKET

**IID BOARD HAS THE AUTHORITY TO
IMPLEMENT IF NECESSARY**

THANKS FOR COMING

**AGAIN, THE ON-FARM PLAN IS STILL
UNDER DEVELOPMENT. YOUR INPUT
IS APPRECIATED.**

**BOARD DISCUSSIONS WILL
CONTINUE**

NEXT WORKSHOP: DECEMBER 17